

Message Text

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ACTION EA-12

INFO OCT-01 ISO-00 ACDA-12 CIAE-00 INR-10 IO-13 L-03
NSAE-00 NSC-05 EB-08 NRC-05 OES-07 SOE-02 DODE-00
DOE-11 SS-15 SP-02 CEQ-01 AID-05 CEA-01 COME-00
H-01 INT-05 OMB-01 PM-05 USIA-06 STR-07 TRSE-00
PA-01 /139 W

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FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 6178

C O N F I D E N T I A L SECTION 01 OF 02 TOKYO 04223

DEPT. PASS NRC AND TREASURY

TREASURY FOR STR

E.O. 11652: GDS
TAGS: TECH, ENRG, PARM, JA
SUBJECT: NRC COMMISSIONER KENNEDY'S DISCUSSIONS WITH
MINISTER USHIBA

1. SUMMARY: USHIBA, MARCH 15 QUESTIONED VISITING NRC
COMMISSIONER KENNEDY ABOUT IMPACT OF NEW NUCLEAR NON-
PROLIFERATION ACT ON FUTURE U.S.-JAPAN NUCLEAR RELATION-
SHIP INCLUDING JAPAN'S FUTURE PURCHASE OF REACTOR COM-
PONENTS. KENNEDY GAVE REASSURING REPLIES. END SUMMARY.

2. AT REQUEST OF MINISTER NOBUHIKO USHIBA, NRC COMMIS-
SIONER RICHARD KENNEDY PAID CALL ON USHIBA MARCH 15. ALSO
PRESENT WERE PROF. KEICHI OSHIMA OF TOKYO UNIVERSITY
(CONSULTANT TO USHIBA) AND HIROSHI OHTA OF MOFA FOR
JAPANESE SIDE. EMIN, SCICOUNS, AND RICHARD STRATFORD
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ACCOMPANIED KENNEDY.

3. USHIBA OPENED MEETING BY STATING THAT JAPAN WAS ALMOST
COMPLETELY DEPENDENT ON U.S. FOR NUCLEAR ENERGY AND IS
BECOMING WORRIED ABOUT ADDITIONAL RESTRICTIONS THAT MIGHT
BE PLACED ON EXPORTS OF NUCLEAR MATERIALS AND EQUIPMENT
TO JAPAN FROM U.S. AS RESULT OF PASSAGE OF NUCLEAR NON-

PROLIFERATION ACT. KENNEDY REPLIED THAT NEW LAW RECOGNIZES THE NEED FOR INTERNATIONAL NUCLEAR COMMERCE, ITS RESTRICTIONS ARE REALISTIC, AND JAPAN PROBABLY AGREES WITH THE GENERAL NATURE OF THE RESTRICTIONS NEEDED TO REDUCE POTENTIAL FOR PROLIFERATION. HE CONTINUED THAT LAW SHOULD NOT CAUSE PROBLEMS FOR THE U.S.-JAPAN RELATIONSHIP.

4. IN RESPONSE TO QUESTIONS FROM USHIBA, KENNEDY ALSO MADE FOLLOWING POINTS:

A. REQUIREMENT FOR FULL-SCOPE SAFEGUARDS WOULD NOT AFFECT JAPAN BECAUSE ALL JAPANESE NUCLEAR FACILITIES ALREADY WERE UNDER IAEA SAFEGUARDS. OTHER COUNTRIES NOT PARTY TO NPT MIGHT BE AFFECTED.

B. REVISION OF U.S.-JAPAN BILATERAL NUCLEAR AGREEMENT WILL BE REQUIRED, AND NOSENZO OF DEPT. WILL BE COMING TO JAPAN IN A FEW MONTHS TO DISCUSS MATTER.

C. USG IS ENCOURAGING REVISION OF EURATOM AGREEMENT AND EUROPEANS HAVE AGREED TO SIT DOWN AND TALK.

D. UNTIL OFFICIAL LEGAL INTERPRETATIONS OF NEW LAW HAVE BEEN MADE, IT WOULD BE SPECULATIVE TO TALK ABOUT DETAILS OF IMPLEMENTATION.

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E. LAW WILL NOT HAVE IMMEDIATE IMPACT ON TOKAI MURA OPERATIONS. BOTH SIDES HAVE AGREED TO WAIT FOR THE RESULTS OF INFCE AS GUIDANCE FOR FUTURE OPERATION OF TOKAI AFTER INITIAL TWO YEAR PERIOD.

F. IT WOULD BE USEFUL TO START TALKS ON FUTURE OF TOKAI BEFORE TWO YEAR PERIOD ELAPSES.

5. OSHIMA SUPPORTED USHIBA'S VIEW THAT NEW LEGISLATION WILL DISTORT U.S.-JAPAN NUCLEAR TECHNOLOGY RELATIONSHIP. AGAIN COMMISSIONER REPLIED THAT U.S. UNDERSTOOD JAPAN'S CONCERN, BUT LAW IS IN EFFECT AND MUST BE IMPLEMENTED. ADJUSTMENTS TO BILATERAL AGREEMENT WILL BE REQUIRED BUT PROBLEMS SHOULD NOT BE ANTICIPATED. HE POINTED OUT THAT REMARKS OF JAPANESE SPEAKERS AT JAIF CONFERENCE IN PROGRESS INDICATED THAT JAPAN STRONGLY SUPPORTS INTERNATIONAL SAFEGUARDS, AND LAW WILL ENHANCE THESE WHILE INSURING THAT U.S. REMAINS RELIABLE NUCLEAR SUPPLIER. WITHOUT LEAD OF U.S., FRG, AND JAPAN, OTHER COUNTRIES WILL NOT ACT QUICKLY ENOUGH IN ADOPTING MORE STRINGENT CONTROLS.

6. OSHIMA THEN RECALLED THAT DR. NYE OF DEPT. HAD POINTED OUT PREVIOUSLY THE DIFFERENCE IN PERCEPTION OF SECURITY INTERESTS BY U.S. AND JAPAN: THE U.S. THINKING IN TERMS OF POLITICAL AND MILITARY SECURITY AND JAPAN THINKING ABOUT ECONOMIC SECURITY. IN THIS CONTEXT, JAPAN IS VERY MUCH CONCERNED ABOUT TRADE AND INDUSTRIAL RELATIONSHIPS; IF U.S. INDUSTRY IS DISCOURAGED ABOUT THE FUTURE OF INTERNATIONAL NUCLEAR TRADE OR RESULT OF PASSAGE OF NNPA, THIS WILL HAVE EFFECT ON JAPAN. COMMISSIONER KENNEDY REPLIED THAT HE PERSONALLY BELIEVED THAT U.S. INDUSTRY OVERREACTS TO ISSUES, AND THAT THE INDUSTRY WOULD NOT GO OUT OF BUSINESS BECAUSE OF NEW LAW, CONSIDERING THE HEAVY INVESTMENT ALREADY MADE AND SUFFICIENT ORDERS TO KEEP MANUFACTURERS BUSY FOR ANOTHER TWO OR THREE YEARS. HE
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EXPRESSED OPTIMISM ABOUT CONTINUATION OF HEALTHY TRADE

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C O N F I D E N T I A L SECTION 02 OF 02 TOKYO 04223

RELATIONSHIP IN NUCLEAR ENERGY FIELD.

7. MINISTER USHIBA ASKED COMMISSIONER IF THERE HAD BEEN A RECENT CHANGE IN U.S. THINKING ABOUT THE IMPORTANCE OF NUCLEAR ENERGY. KENNEDY REPLIED BY POINTING OUT THAT PRESIDENT CARTER, IN A RECENT NEW HAMPSHIRE SPEECH, STATED THERE WILL BE AN INCREASING AND IMPORTANT

ROLE FOR NUCLEAR ENERGY IN THE U.S. NOTWITHSTANDING THE
USE OF OTHER ALTERNATIVES SUCH AS SOLAR ENERGY.
COMMISSIONER ALSO REMARKED THAT NUCLEAR ENERGY
APPEARED TO HAVE REACHED THE BOTTOM OF DISILLUSION CURVE,
WITH ENVIRONMENTAL PRESSURES NOW LARGELY SATISFIED AND
WITH PRESIDENTIAL INTEREST IN SHORTENING THE LICENSING
PROCESS.

8. USHIBA CONCLUDED MEETING BY OBSERVING THAT JAPAN
REMAINS INTERESTED IN PURCHASE OF NUCLEAR POWER PLANT
COMPONENTS FROM U.S., BUT HE WAS NOT WILLING TO ESTIMATE
SIZE OF THIS MARKET IN RESPONSE TO QUESTION FROM EMIN
BUTTON. MANSFIELD

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